



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approval of Community Development Block Grant (CDBG) and HOME (federal funds) loan to Dan Logue Development, Inc. for the construction of the Hotel Lodi Rehabilitation project.

MEETING DATE: November 15, 1995

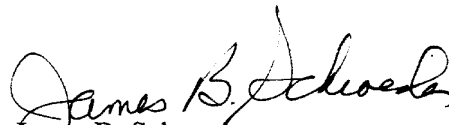
PREPARED BY: Community Development Director

RECOMMENDED ACTION: Staff is recommending that the City Council approve a loan in the amount of \$1,084,000 for the Hotel Lodi Rehabilitation project. The loaned funds will come from the City's Federal allocations of HOME and CDBG funds.

BACKGROUND INFORMATION: The City Council approved a Use Permit by motion action on June 7, 1995 to allow Dan Logue Development, Inc. to convert the Hotel Lodi into senior apartments. Since that time, Dan Logue Development, Inc. has acquired the property and is proceeding with their plans to rehabilitate the structure into 75 units of senior apartments. As proposed, there will be 50 studio or efficiency units renting for \$323, and 25 one bedroom units renting for \$343.


The total cost of the project is \$4,837,920 and is broken down as follows: Federal and State proceeds (tax credits), \$2,483,221; permanent loan, \$1,131,079; and City of Lodi loan, \$1,084,000. An approved loan from the City is a required component of the California Tax Credit Allocation Committee application that Dan Logue Development, Inc. will submit prior to December 11, 1995 (See attachments).

FUNDING: Federal Funds; Community Development Block Grant (CDBG) and HOME.


James B. Schroeder
Community Development Director

JBS/lw

APPROVED: _____


H. DIXON FLYNN
City Manager



Sources of City of Lodi Loan

The City of Lodi loan is one component of the Hotel Lodi project. The amount of the loan is \$1,084,000. Several Federal sources are being utilized; among them CDBG funds, HOME funds, and other funds borrowed from San Joaquin County. The "Lodi Lake Playground Remodel" and "Eastside Sanitary Sewer and Water Upgrades" projects were approved this year. The Council is being asked to reallocate funds from these accounts to the Hotel which means delaying the projects for one year. Individual fund amounts and sources are listed below:

1) Community Development Block Grant (CDBG) funds:

<u>Account #</u>	<u>Project or account name</u>	<u>Amount</u>
45.6-350.80	Hotel Lodi Rehabilitation	\$149,900
45.1-760.65	Lodi Lake Playground Remodel	\$105,650
45.1-503.14	Eastside Sanitary Sewer and Water Upgrades	\$50,000
not known	borrowed from available S.J. Co. sources	\$68,000
TOTAL CDBG FUNDS		\$373,550

2) HOME funds:

<u>Source</u>	<u>Fiscal year allocation</u>	<u>Amount</u>
City of Lodi allocation	1995-96	\$207,822
City of Lodi allocation	1994-95	\$192,013
City of Lodi allocation	1993-94	\$115,510
City of Lodi allocation	1992-93	\$174,669
San Joaquin County allocation	unknown	\$20,000
TOTAL HOME FUNDS		\$710,100

Loan Terms

The Federal funds will be loaned at the following terms. The Community Development Block Grant funds will be loaned at 3%. HOME funds will be loaned at 6.5%, a rate tied to Federal treasury notes.

Subordination

The City of Lodi will be in second position behind the long term lender for repayment of the loan. It is necessary for the City to forgo repayment for up to 15 years following completion of the project in order to insure that there is enough money to repay the hard money lender.

Matching Requirement

The Federal government requires jurisdictions to provide a match of not less than 25% of the total amount of HOME funds. For the proposed project, the permanent loan will satisfy the matching requirement.



DANIELS C. LOGUE
DEVELOPMENT & CONSTRUCTION, INC.

LIC. NO. 675524

October 20, 1995

Jim Schroeder
Community Development Director
City of Lodi
P.O. Box 3006
Lodi, CA 95241

Dear Mr. Schroder,

The purpose of this letter is to request a \$1,154,000 loan from the City of Lodi for the purchase and rehabilitation of the Lodi Hotel into a Seniors only residential community.

For your review, we have enclosed:

1. Development Budget
2. Uses and Sources of Funds
3. Income/Expenses, Projections - Cash Flow Analysis years 1-30
4. Current commercial rent roll
5. Updated development time table.

The issues we need to address are:

1. City of Lodi's loan documents
2. City of Lodi's Regulatory Agreement
3. City of Lodi's loan must be approved by the City Council by November, 1995 in order to meet the tax credit deadline.
4. Review the Current Commercial Income
This income could not be fully recognized in the pro-forma due to the conventional lender's guidelines that deeply discounts the commercial income as well as the California Tax Credit Allocation Committee's policies. However, once we are in operation, if the commercial income is actually realized, we certainly could utilize this income to further reduce the rents.

Jim Schroder

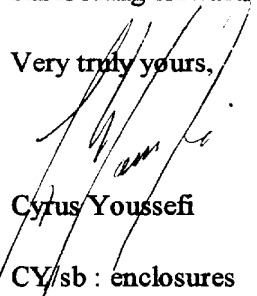
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We feel the CTCAC's application is very competitive; we have maximized both cost containment and rent affordability criteria. Even though a very strong competition is anticipated for this tax credit cycle, we believe we should do extremely well.

It seems, after years of working on this project, we finally have a package that is both workable and viable. I believe you will find that it addresses both the community's as well as the city's concerns and objectives.

I'm looking forward to our meeting Wednesday, October 25, at 10:30.

Very truly yours,



Cyrus Youssefi

CY/sb : enclosures

Tax Credit Calculation for Federal and State Credits:

Lodi Hotel

Federal LIHTC's:

Qualified Basis @ 100%	\$3,947,260
ENTER THE APPLICABLE FEDERAL CREDIT FACTOR---->---->	8.650%
Equals	\$341,438
TIMES 10 YEARS X 10 years	10
Maximum Federal Credit	\$3,414,380

ENTER THE EXPECTED SYNDICATION FACTOR---->---->	54.00000%
Estimated Net Proceeds from Syndication of Federal Credits	\$1,843,765

State LIHTC's:

Qualified Basis @ 100%	\$3,947,260
ENTER THE APPLICABLE STATE CREDIT FACTOR---->---->	30.0%
Maximum State Credit	\$1,184,178
ENTER THE EXPECTED SYNDICATION FACTOR---->---->	54.00000%
Estimated Net Proceeds from Syndication on state credits	\$639,456

Sources

Total Federal & State Proceeds	\$2,483,221
----> SOURCE 1 Perm. Loan	\$1,131,079
----> SOURCE 2 City (2nd Mortgage)	\$1,084,000
----> SOURCE 3 Deferred Developer Fee	\$138,845
----> SOURCE 4 Deferred Profit & OH	\$0
----> SOURCE 5 Deferred Equity	\$0
LESS TOTAL PROJECT COSTS (PAGE 14)	4,837,920
NET PROJECTED EXCESS/(SHORTFALL)	0

Unit Type	Units	221(d)(3) Limits	Calculation
Studio	50	66.906	3,345,300
1BR	25	76.894	1,922,350

5,267,650 Max Ttl Basis
0.80 Multiplier
4,214,120 Maximum Basis
3,947,260 Current Basis
(266,860) Difference

PART VIII - PROJECT COSTS, OPERATING EXPENSES & INCOME (USES OF FUNDS)

Lodi Hotel

18-Oct-95

A. Project Costs

State estimated or actual costs in the first column. All estimated or actual costs includable in eligible basis are to be repeated in the eligible basis column. Be sure all residential project costs are reflected below. All commercial space costs should be on the separate line provided on page 14.

	Actual or Est. Project Costs	70% PVC Rate Eligible Basis	30% PVC Rate Eligible Basis
Land Cost	\$775,000	XXXXXXXXXX	XXXXXXXXXX
Legal/Broker Fees	\$0	XXXXXXXXXX	XXXXXXXXXX
Off-site Improvements	\$0	XXXXXXXXXX	XXXXXXXXXX
Demolition	\$0	XXXXXXXXXX	XXXXXXXXXX
Total Land Costs	\$775,000	XXXXXXXXXX	XXXXXXXXXX
Total Acquisition Costs *	\$0	XXXXXXXXXX	XXXXXXXXXX
Site Work	\$0	\$0	
Structures	\$0	\$0	
Contractor Overhead	\$0	\$0	
Contractor Profit	\$0	\$0	
Total New Construction Costs	\$0	\$0	
Site Work	\$0	\$0	
Structures	\$2,794,000	\$2,794,000	
Contractor Overhead	\$0	\$0	
Contractor Profit	\$0	\$0	
Total Rehabilitation Costs	\$2,794,000	\$2,794,000	
Design	\$0	\$0	
Supervision	\$95,000	\$95,000	
Total Architectural Costs	\$95,000	\$95,000	
Total Survey and Engineering Costs	\$27,000	\$27,000	
Construction Loan Interest	\$63,000	\$63,000	
Bridge Loan Expense / Inspections - Lender	\$0	\$0	
Origination Fee	\$30,000	\$30,000	
Credit Enhancement And Application Fee	\$0	\$0	
Bond Premium	\$0	\$0	
Taxes	\$17,800	\$17,800	
Insurance	\$15,000	\$15,000	
Title And Recording	\$16,000	\$16,000	
Total Construction Interest And Fees Costs	\$141,800	\$141,800	
Loan Origination Fee	\$26,000	XXXXXXXXXX	XXXXXXXXXX
Credit Enhancement & Application Fee	\$0	XXXXXXXXXX	XXXXXXXXXX
Title and Recording	\$0	XXXXXXXXXX	XXXXXXXXXX
Other Misc.	\$0	\$0	
Total Permanent Financing Costs	\$26,000	\$0	

* The lesser amount of the purchase price or appraised value.

A. Project Costs (Continued)

Lodi Hotel

18-Oct-95

	Actual or Est. Project Costs	70% PVC Rate Eligible Basis	30% PVC Rate Eligible Basis
<i>Legal Fees</i>			
Lender Legal Costs Paid by Applicant	\$0	\$0	
Other (Specify) <u>Borrower Legal</u>	\$10,000	\$10,000	
Total Attorney Costs	\$10,000	\$10,000	
(NOT TO INCLUDE REAL ESTATE OR SYNDICATION)			
Total Appraisal Costs	\$8,500	\$8,500	
<i>Reserves</i>			
Rent Reserves	\$40,000	XXXXXXXXXXXX	XXXXXXXXXXXX
Other (Specify) <u>Oper. Reserves</u>	\$0	XXXXXXXXXXXX	XXXXXXXXXXXX
Total Rent Reserve Costs	\$40,000	XXXXXXXXXXXX	XXXXXXXXXXXX
Total Construction Contingency Costs	\$145,000	\$145,000	
<i>Other</i>			
TCAC App./Alloc./Monitoring fees	\$41,660	XXXXXXXXXXXX	XXXXXXXXXXXX
Environmental Audit	\$9,000	\$9,000	
Local Permit Fees	\$25,000	\$25,000	
Marketing	\$8,000	XXXXXXXXXXXX	XXXXXXXXXXXX
Utilities	\$12,000	\$12,000	
Furnishings/Security	\$157,100	\$157,100	
Other (specify) <u>Const. Audit</u>	\$5,000	\$5,000	
Other (specify) <u>Market Study</u>	\$3,000	\$3,000	
Total Other Costs	\$260,760	\$211,100	
Sub-Total Residential Costs	\$4,323,060	\$3,432,400	
<i>Developer Costs</i>			
Developer Overhead/Profit	\$456,860	\$456,860	
Consultant/Processing Agent Fees	\$40,000	\$40,000	
Project Administration	\$18,000	\$18,000	
Other (specify) _____	\$0	\$0	
Total Developer Fee *	\$514,860	\$514,860	
Total Residential Costs	\$4,837,920	\$3,947,260	
Total Commercial Space Costs	\$0	XXXXXXXXXXXX	XXXXXXXXXXXX
TOTAL PROJECT AND BASIS COSTS	\$4,837,920	\$3,947,260	

SYNDICATION EXPENSES ARE NOT TO BE INCLUDED IN THE TOTAL PROJECT COSTS

*There is a limit on the amount of total developer fee allowed in project cost. The fees for new construction and rehabilitation cannot exceed 15 % of eligible basis, the fee for acquisition cannot exceed 5% of the acquisition basis, for a maximum total fee of \$1.2 million. The acquisition fee for projects applying in the Acquisition/Rehabilitation targeted category cannot exceed 5% of the acquisition basis, up to a maximum fee of \$50,000 (in addition to the rehabilitation developer fee). The basis for the fee may include costs financed with grant proceeds or below-market federal funds. The fee limit is calculated before the addition of the fee and any High Cost Area Adjustment.

The developer fee includes compensation for any construction management oversight provided by the developer, the value of any personal guarantees (but not real costs actually incurred) required by lenders or investors and a portion of any reserves determined to be in excess of industry norms.

Development Name:
Total Number of Units:

Lodi Hotel
75

Development Type

Seniors

RENTAL INCOME	Monthly Rent	No. of Units	Annual Increase	Year-1	Year-2	Year-3
Studio (46% of Median)	323	50	3.00%	193,800	199,623	205,622
IBR (46% of Median)	346	25	3.00%	103,800	106,919	110,132
			3.00%	0	0	0
			3.00%	0	0	0
TOTAL RENTAL INCOME		75		297,600	306,543	315,754

OTHER INCOME	Income	Units	Increase	Year-1	Year-2	Year-3
Other Income 1 (laundry & vending)	5	75	1.00%	3,600	3,636	3,672
Other Income 2 (commercial)	0	0	0.00%	10,200	10,200	10,200
Other Income 3 (other)	0	0	0.00%	0	0	0
TOTAL OTHER INCOME				13,800	13,836	13,872

TOTAL INCOME				311,400	320,379	329,626
Less Vacancy Allowance & Rent Loss			5.00%	15,570	16,349	17,166
GROSS INCOME				295,830	304,030	312,460

OPERATING EXPENSES	Per Unit	%AGI	Incr/vr	Year-1	Year-2	Year-3
Management Fees		5.00%	4.00%	16,200	16,847	17,520
Administration		3.26%	4.00%	9,650	10,036	10,436
Payroll		16.12%	4.00%	47,680	49,585	51,566
Maintenance		3.43%	4.00%	10,140	10,545	10,966
Utilities		15.36%	4.00%	45,450	47,266	49,154
Insurance		3.89%	4.00%	11,500	11,959	12,437
Property Taxes		0.00%	2.00%	18,200	18,564	18,935
TOTAL OPER. EXPENSES	2,318			158,820	164,802	171,015
NET OPERATING INCOME				137,010	139,228	141,445

Replacement Reserve Deposit			0.60%	11,250	11,250	11,250
Operating Reserve Deposit			3.00%	3,750	0	0
Net Cash Flow b/f Debt Service				122,010	127,978	130,195

Perm. 30 yrs @ 8.25%	1,131,079		1.20	101,969	101,969	101,969
				0	0	0
				0	0	0
ANNUAL CASH FLOW				20,041	26,009	28,226

Type	Target	Max Rent	Util	Net Rent
Studio	(46% of Median)	323	0	323
IBR	(46% of Median)	346	0	346

Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Year-11	Year-12
211,801	218,165	224,721	231,473	238,429	245,593	252,973	260,575	268,405
113,441	116,850	120,361	123,978	127,703	131,541	135,493	139,565	143,759
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
325,242	335,015	345,082	355,451	366,132	377,134	388,467	400,140	412,164

Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Year-11	Year-12
3,709	3,746	3,784	3,821	3,860	3,898	3,937	3,977	4,016
10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200
0	0	0	0	0	0	0	0	0
13,909	13,946	13,984	14,021	14,060	14,098	14,137	14,177	14,216

339,151	348,961	359,066	369,473	380,192	391,233	402,604	414,316	426,380
18,024	18,925	19,872	20,865	21,909	23,004	24,154	25,362	26,630
321,127	330,036	339,194	348,608	358,283	368,229	378,450	388,955	399,750

Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	Year-11	Year-12
18,220	18,948	19,705	20,492	21,311	22,162	23,048	23,968	24,926
10,853	11,287	11,738	12,207	12,694	13,202	13,729	14,277	14,848
53,626	55,768	57,996	60,313	62,723	65,228	67,834	70,544	73,362
11,404	11,860	12,334	12,827	13,339	13,872	14,426	15,002	15,602
51,118	53,160	55,284	57,492	59,789	62,178	64,662	67,245	69,931
12,934	13,451	13,988	14,547	15,128	15,732	16,361	17,015	17,694
19,314	19,700	20,094	20,496	20,906	21,324	21,751	22,186	22,629
177,470	184,174	191,139	198,374	205,890	213,698	221,810	230,238	238,993
143,657	145,862	148,055	150,234	152,393	154,530	156,640	158,717	160,757

11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
0	0	0	0	0	0	0	0	0
132,407	134,612	136,805	138,984	141,143	143,280	145,390	147,467	149,507

101,969	101,969	101,969	101,969	101,969	101,969	101,969	101,969	101,969
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
30,438	32,643	34,836	37,015	39,174	41,311	43,421	45,498	47,538

Year-13	Year-14	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21
276,470	284,778	293,335	302,150	311,229	320,581	330,214	340,137	350,358
148,078	152,528	157,111	161,832	166,695	171,704	176,864	182,179	187,653
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
424,549	437,306	450,447	463,982	477,924	492,285	507,078	522,315	538,010

Year-13	Year-14	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21
4,057	4,097	4,138	4,179	4,221	4,263	4,306	4,349	4,393
10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200
0	0	0	0	0	0	0	0	0
14,257	14,297	14,338	14,379	14,421	14,463	14,506	14,549	14,593

438,805	451,603	464,785	478,362	492,346	506,749	521,584	536,864	552,603
27,961	29,360	30,828	32,369	33,987	35,687	37,471	39,345	41,312
410,844	422,244	433,957	445,993	458,358	471,062	484,113	497,520	511,291

Year-13	Year-14	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21
25,922	26,957	28,034	29,154	30,319	31,530	32,790	34,100	35,462
15,441	16,058	16,699	17,367	18,060	18,782	19,532	20,313	21,124
76,293	79,341	82,511	85,807	89,235	92,800	96,507	100,363	104,372
16,225	16,873	17,547	18,248	18,977	19,736	20,524	21,344	22,197
72,725	75,630	78,652	81,794	85,062	88,460	91,994	95,669	99,491
18,401	19,136	19,901	20,696	21,523	22,383	23,277	24,207	25,174
23,082	23,544	24,015	24,495	24,985	25,484	25,994	26,514	27,044
248,089	257,540	267,359	277,561	288,161	299,174	310,618	322,509	334,864
162,755	164,704	166,598	168,432	170,197	171,888	173,495	175,011	176,427

11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
0	0	0	0	0	0	0	0	0
151,505	153,454	155,348	157,182	158,947	160,638	162,245	163,761	165,177

101,969	101,969	101,969	101,969	101,969	101,969	101,969	101,969	101,969
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
49,536	51,485	53,379	55,213	56,978	58,669	60,276	61,792	63,208

Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
360,885	371,730	382,900	394,406	406,257	418,465	431,039	443,991	457,333
193,292	199,100	205,083	211,245	217,593	224,131	230,866	237,803	244,949
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
554,177	570,829	587,982	605,651	623,850	642,596	661,905	681,795	702,282

Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
4,437	4,481	4,526	4,571	4,617	4,663	4,710	4,757	4,804
10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200
0	0	0	0	0	0	0	0	0
14,637	14,681	14,726	14,771	14,817	14,863	14,910	14,957	15,004

568,814	585,510	602,708	620,422	638,667	657,459	676,815	696,751	717,286
43,377	45,546	47,824	50,215	52,726	55,362	58,130	61,036	64,088
525,436	539,964	554,884	570,207	585,941	602,097	618,685	635,715	653,198

Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28	Year-29	Year-30
36,879	38,352	39,884	41,478	43,135	44,858	46,650	48,514	50,452
21,968	22,846	23,758	24,707	25,694	26,721	27,788	28,899	30,053
108,542	112,878	117,388	122,077	126,954	132,026	137,301	142,786	148,490
23,083	24,006	24,965	25,962	26,999	28,078	29,199	30,366	31,579
103,465	107,599	111,898	116,368	121,017	125,851	130,879	136,108	141,545
26,179	27,225	28,313	29,444	30,620	31,844	33,116	34,439	35,815
27,585	28,137	28,700	29,274	29,859	30,456	31,065	31,687	32,320
347,702	361,043	374,905	389,310	404,279	419,834	435,999	452,797	470,254
177,734	178,922	179,980	180,897	181,662	182,263	182,686	182,918	182,944

11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
0	0	0	0	0	0	0	0	0
166,484	167,672	168,730	169,647	170,412	171,013	171,436	171,668	171,694

101,969	101,969	101,969	101,969	101,969	101,969	101,969	101,969	101,969
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
64,515	65,703	66,761	67,678	68,443	69,044	69,467	69,699	69,725

HOTEL LODI

OCTOBER 1985

UNIT & BDR	TENANT	NO RENT	RENT	RENT DEPOSIT	LATE CHARGE	OTHER DUE	PRIOR DUE	TOTAL	PAYMENT	BALANCE DUE	TENANT DEPOSIT	LAST MO RENT	
	APACHE ARMORY	1100	1100	0	0	0	0	1100		0	0		RENT IS DUE ON THE 10TH
	VACANT	0	0	0	0	0	0	0		0	0		JIM JACOBSON INQUIRED RE RENT ETC. ON 8/28
	SYNOWSKI	875	875	0	0	0	0	875	875	0	0		300-334-0005 DOUG
	BOURES	1650	1650	0	0	0	0	1650	1650	0	0		200-363-4504 ROGER
	CHRISTIAN SCIENCE	535	535	0	0	0	0	535	535	0	0		200-834-3065 DAVE / PAULA; 200-860-0008
	LOCI BARBER SHOP	255	255	0	0	0	0	255		255	0		200-309-5470 RICK
	TOKAY PLAYERS	240	240	0	0	0	-240	-9		0	0		200-368-5418 DICK
	THE DMSY SHOP	440	440	0	0	0	440	880		880	0		300-5354 JANET (BALANCE DUE FROM CORINA S.)
	L & L TRAVEL	440	440	0	0	50	135	650		650	0		200-300-4444 LINDA -- AGENCY A REMINDER
	GARY'S LOUNGE	600	600	0	0	0	0	600	600	0	0		200-333-9704 ELAINE
	THE ARCH CAFE	750	750	0	0	0	0	750		750	0		300-853-0087 200-908-8223 WENDEL/US
	CHELSEY'S	725	725	0	0	0	0	725		725	0		200-347-1444 NANCY
	CHELSEY'S	875	875	0	0	0	0	875		875	0		
	TOTAL	8401	8401	0	0	50	540	9041	3060	6481	0		POTENTIAL 9341



DANIELS C. LOGUE
DEVELOPMENT & CONSTRUCTION, INC.

LIC. NO. 675524

Tuesday, October 10, 1995

Development Time Table **Lodi Hotel**

November 1995:	City of Lodi Council Loan Approval
December 11, 1995:	Submit CTCAC Application
Dec. 1995 to Jan.-Feb. 1996:	Prepare Loan Documents For City of Lodi
March 15 1996:	Close Escrow on the Property Disburse City of Lodi Loan
March-Sept. 1996:	Prepare Working Drawing. Plan Check & Building Permit.
Oct.-Nov. 1996:	Construction Preparation Bid Period
Dec. 1996:	Begin Removal of Hazardous Materials
Jan. 1997:	Construction Begins
March 1998:	Construction Completion
April 1998:	Occupancy Begins

RESOLUTION NO. 95-148

A RESOLUTION OF THE LODI CITY COUNCIL
COMMITTING HOME AND CDBG FUNDS TO LODI HOTEL INVESTORS,
A CALIFORNIA LIMITED PARTNERSHIP FOR THE PURPOSE
OF THE DEVELOPMENT OF SENIOR HOUSING

WHEREAS, the City wishes to promote the development of affordable rental housing to seniors in the community; and

WHEREAS, the Lodi Hotel, an historic building located in the core of the City's downtown area is in need of rehabilitation; and

WHEREAS, the rehabilitation of the Lodi Hotel can possibly contribute significantly to the revitalization of the downtown area; and

WHEREAS, Lodi Hotel Investors, a California Limited Partnership is committed to preserve and restore the exterior of the Lodi Hotel structure to its original form; and

WHEREAS, the City believes that it is in the best interest of the citizens of the City of Lodi to create decent, safe, sanitary and affordable housing for seniors in the community.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Lodi commits to loan to Lodi Hotel Investors, a California Limited Partnership CDBG and Home funds in a total amount of \$1,084,000 contingent upon but not limited to the following:

1. Receipt by Lodi Hotel Investors of a tax credit allocation applicable to this project from the California Tax Credit Allocation Committee;
2. An interest rate of 3% percent on the CDBG loan amount of \$373,550 and a loan interest rate of 6.5% on the Home allocation amount of \$710,100;
3. Housing units to be made available to seniors 55 years of age and older;
4. A screening process to be utilized for those who seek tenancy that is designed to identify significant health issues;
5. The development of a regulatory agreement and loan documents which when approved by the City provide for a default process which will assure the City that the units will remain available for senior housing.

BE IT FURTHER RESOLVED, that the Mayor or the City Manager are authorized to sign the necessary documents in order to complete this loan transaction on behalf of the City of Lodi.

Dated: November 15, 1995


I hereby certify that Resolution No. 95-148 was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 15, 1995, by the following vote:

AYES: COUNCIL MEMBERS - Davenport, Sieglock, Warner
and Mann (Mayor)

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - Pennino

ABSTAIN: COUNCIL MEMBERS - None


JENNIFER M. PERRIN
City Clerk